

Message Text

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PAGE 01 STATE 101503
ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 (ISO) R

DRAFTED BY EUR:JAARMITAGE:SAM
APPROVED BY D:WCHRISTOPHER
OES/NET:DHOYLE (DRAFT)
PM:GOPLINGER (SUB)
L/OES:CSIEGEL (SUB)
T:LBENSON/JNYE (SUB)
S/P:JKALICKI (SUB)
NRC:MGUHN (SUB)
ACDA:CVANDOREN (SUB)
PM:GVEST(DRAFT)
S/S:MR.SEBASTIAN
NSC:MR.HYLAND

-----050049Z 005692 /46

O P 042045Z MAY 77
FM SECSTATE WASHDC
TO AMEMBASSY BELGRADE IMMEDIATE
INFO AMCONSUL ZAGREB PRIORITY

C O N F I D E N T I A L STATE 101503

EXDIS

E.O. 11652: GDS

TAGS: TECH, ENRG, YO

SUBJECT: KRSKO: LETTER FROM SECRETARY TO MINIC

1. THIS CABLE TRANSMITS THE TEXT OF A LETTER FROM THE SECRETARY TO FOREIGN MINISTER (AND FEC VICE PRESIDENT) MINIC. SEPTELS CONTAIN THE TEXT OF A MEMORANDUM ATTACHMENT TO THE SECRETARY'S LETTER AND INSTRUCTIONS REGARDING THE CURRENT US INITIATIVE TO RESOLVE THE KRSKO IMPASSE.

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2. BEGIN TEXT. DEAR MR. VICE PRESIDENT: I KNOW YOU ARE AWARE THAT IT IS THE FIRM POLICY OF THE UNITED STATES GOVERNMENT TO SUPPORT THE INDEPENDENCE, POLITICAL UNITY AND TERRITORIAL INTEGRITY OF YUGOSLAVIA AND WE BELIEVE THAT TOWARD THAT END BOTH OUR GOVERNMENTS ARE DETERMINED TO DEVELOP AND STRENGTHEN THE TIES BETWEEN

OUR COUNTRIES. IT IS IN THAT SPIRIT THAT I SUGGEST THAT WE TURN OUR ATTENTION URGENTLY TO A RESOLUTION OF THE PROBLEMS RELATED TO THE KRSKO NUCLEAR POWER PLANT.

PRESIDENT CARTER HAS ACCORDED THE HIGHEST PRIORITY TO THE DEVELOPMENT OF A GLOBAL NUCLEAR POLICY WHICH CAN BRING ABOUT SIGNIFICANT REDUCTIONS IN NUCLEAR WEAPONS AND MARKEDLY REDUCE THE DANGERS OF NUCLEAR PROLIFERATION. SIGNIFICANT STRENGTHENING OF INTERNATIONAL SAFEGUARDS AGAINST

THE SPREAD OF ATOMIC EXPLOSIVE CAPABILITIES IS A FUNDAMENTAL PART OF THE PROGRAM TO EFFECT THIS POLICY. YUGOSLAVIA HAS BEEN A MAINSTAY OF THE TREATY ON NONPROLIFERATION AND A FAITHFUL ADHERENT TO THE STATUTES OF THE INTERNATIONAL ATOMIC ENERGY AGENCY. I AM, THEREFORE, CONFIDENT THAT WE CAN COUNT ON YOUR UNDERSTANDING AND COOPERATION IN A COMMON EFFORT TO STRENGTHEN AND MAKE MORE EFFECTIVE THE SAFEGUARDS INCORPORATED IN THOSE IMPORTANT INTERNATIONAL DOCUMENTS.

WE ARE CONSCIOUS OF THE SIGNIFICANCE TO YUGOSLAVIA'S ECONOMIC DEVELOPMENT NEEDS OF ITS NUCLEAR ENERGY PROGRAM. WE WANT TO COOPERATE ENERGETICALLY WITH YOU IN THAT PROGRAM. PRESIDENT CARTER'S ANNOUNCED POLICY IS TO PURSUE OUR NONPROLIFERATION GOALS AT A DETERMINED BUT REASONABLE PACE WHICH TAKES DUE ACCOUNT OF THE ENERGY REQUIREMENTS OF COUNTRIES WHICH WE HAVE AGREED TO SUPPLY WITH NUCLEAR FUEL AND WHICH DEMONSTRATE A RESPONSIBLE AND CONSTRUCTIVE APPROACH TO THE EFFORTS TO GIVE EFFECT

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TO THE PRINCIPLES OF THE TREATY ON NONPROLIFERATION.

THEREFORE, I WOULD LIKE TO SOLICIT THE PARTICIPATION OF YOUR GOVERNMENT IN THE INTERNATIONAL FUEL CYCLE EVALUATION PROGRAM (INFCEP), WHICH IS AN INTEGRAL PART OF OUR NONPROLIFERATION EFFORTS. WE HAVE JUST BEGUN TO DISCUSS THIS PROGRAM WITH OTHER NUCLEAR SUPPLIER NATIONS. THE INFCEP HAS AS ITS OBJECTIVE THE ENHANCEMENT OF INTERNATIONAL COOPERATION IN DEALING WITH COMMON CONCERNS RELATED TO NUCLEAR POWER AND THE EXAMINATION OF PRESENT OR FUTURE FUEL CYCLE ALTERNATIVES WHICH WOULD REDUCE PROLIFERATION RISKS WHILE MEETING WORLD ENERGY NEEDS. ITS TWO MAJOR ELEMENTS ARE DIRECTED TOWARD (A) SOLVING THE QUESTIONS OF FUEL ASSURANCE AND SPENT FUEL STORAGE FOR THE PRESENT GENERATION OF POWER REACTORS AND (B) DEVELOPING FUTURE GENERATION REACTORS AND FUEL CYCLES IN A MANNER WHICH WILL RESULT IN MINIMIZING PROLIFERATION RISKS.

WITH REGARD TO THE URGENT PROBLEM ON KRSKO, I WOULD LIKE

TO SET FORTH A PROPOSAL WHICH WOULD PERMIT PROMPT
ISSUANCE OF THE REACTOR EXPORT LICENSE BY THE NUCLEAR REGU-
LATORY COMMISSION. THIS PROPOSAL WOULD CALL FOR REAFFIRMA-
TION BY YOUR GOVERNMENT THAT ITEMS FURNISHED UNDER THE EX-
ISTING COMMERCIAL COMMITMENT BETWEEN THE KRSKO CONSORTIUM
AND EXIM BANK WILL NOT BE REEXPORTED AND YUGOSLAVIA'S
ASSURANCE THAT IT WILL PROMPTLY ENTER INTO NEGOTIATIONS RE-
GARDING DISPOSITION OF FUEL IRRADIATED IN THE KRSKO REACTOR.
THE DETAILS ARE CONTAINED IN THE ATTACHED MEMORANDUM.

IF YOUR GOVERNMENT FINDS THIS PROPOSAL A SATISFACTORY
FRAMEWORK FOR RESOLUTION OF THE KRSKO PROBLEM, I
WOULD BE PREPARED TO SEND A U.S. TEAM TO BELGRADE AT
YOUR EARLIEST CONVENIENCE TO WORK OUT THE DETAILS OF
SUCH AN UNDERSTANDING. THIS TEAM WOULD INCLUDE AN OFFI-
CIAL EMPOWERED TO DISCUSS WITH YOUR REPRESENTATIVES OUR
CURRENT THINKING ON NONPROLIFERATION PROBLEMS AND THE
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INTERNATIONAL FUEL CYCLE EVALUATION PROGRAM.

IF WE CAN MOVE FORWARD IN THIS DIRECTION, I BELIEVE THAT
WE WOULD NOT ONLY HAVE TAKEN A CONSTRUCTIVE FORWARD STEP
IN THE POSITIVE DEVELOPMENT OF OUR BILATERAL RELATIONS
BUT MADE A NOTABLE CONTRIBUTION TO THE SHAPING OF A
MORE PRODUCTIVE AND SECURE APPROACH TO THE USE OF NUCLEAR
ENERGY. SINCERELY, CYRUS VANCE. VANCE

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Message Attributes

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